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DEPARTMENT OF COMMERCE

International Trade Administration

A-821-809

Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from the Russian Federation: Preliminary No Shipments Determination of Antidumping Duty Administrative Review; 2017-2018

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Commerce) is conducting an administrative review of the antidumping duty order on certain hot-rolled flat-rolled carbon-quality steel products (hot-rolled steel) from the Russian Federation. The period of review (POR) is December 1, 2017 through November 30, 2018. Interested parties are invited to comment on these preliminary results.

DATES: Applicable (insert date of publication in the *Federal Register*).

FOR FURTHER INFORMATION CONTACT: Preston Cox, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5041.

SUPPLEMENTARY INFORMATION:

Background

In response to Commerce's notice of opportunity to request an administrative review on hot-rolled steel from the Russian Federation,¹ Nucor Corporation, AK Steel Corporation, ArcelorMittal USA LLC, United States Steel Corporation, California Steel Industries, Steel

¹ See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 83 FR 62293 (December 3, 2018).

Dynamics, Inc., and SSAB Enterprises LLC (domestic interested parties) timely requested an administrative review with respect to Novolipetsk Steel (NLMK), Severstal PAO, and Severstal Export GmbH.² On January 28, 2019, Commerce exercised its discretion to toll all deadlines for reviews of antidumping duty orders with December anniversary dates which were affected by the partial government shutdown by 31 days.³

On March 14, 2019, Commerce published in the *Federal Register* a notice of initiation of an administrative review of the antidumping duty order on hot-rolled steel from the Russian Federation covering three companies: NLMK, Severstal PAO, and Severstal Export GmbH.⁴ Subsequently, on April 9, 2019, Commerce received a letter from NLMK reporting that it had no exports, sales, or entries of subject merchandise into the United States during the POR.⁵ On April 18, 2019, Commerce received a letter from Severstal PAO reporting it had no exports, sales, or entries of subject merchandise into the United States during the POR.⁶ Similarly, on April 25, 2019, Commerce received a letter from Severstal Export GmbH reporting it had no exports, sales, or entries of subject merchandise into the United States during the POR.⁷ On June 28, 2019, we transmitted a “No-Shipment Inquiry” to U.S. Customs and Border Protection (CBP) regarding NLMK, Severstal PAO, and Severstal Export GmbH, to which CBP responded

² See Domestic Interested Parties’ Letter, “Certain Hot-Rolled Carbon Steel Flat Products from Russia: Request for Administrative Review,” dated December 31, 2018.

³ See Memorandum to the Record from Steven Presing, “December Order Deadlines Affected by the Partial Shutdown of the Federal Government,” dated August 7, 2019.

⁴ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 9297 (March 14, 2019).

⁵ See NLMK’s Letter, “Certification of No Shipments for Novolipetsk Steel: Administrative Review of the Antidumping Duty Order on Certain Hot-Rolled-Carbon-Quality Steel Products from the Russian Federation 12/1/2017 to 11/30/2018,” dated April 9, 2019.

⁶ See Severstal PAO’s Letter, “Administrative Review of the Antidumping Order on Certain Hot-Rolled Carbon-Quality Steel Products from the Russian Federation: Certification of No Shipments for PAO Severstal,” dated April 18, 2019.

⁷ See Severstal Export GmbH’s Letter, “Administrative Review of the Antidumping Order on Certain Hot-Rolled Carbon-Quality Steel Products from the Russian Federation: Certification of No Shipments for JSC Severstal,” dated April 25, 2019.

that it found no shipments of hot-rolled steel from NLMK, Severstal PAO, and Severstal Export GmbH during the POR.⁸

Scope of the Order

For the purposes of this order, “hot-rolled steel” means certain hot-rolled flat-rolled carbon-quality steel products of a rectangular shape, of a width of 0.5 inch or greater, neither clad, plated, nor coated with metal and whether or not painted, varnished, or coated with plastics or other non-metallic substances, in coils (whether or not in successively superimposed layers) regardless of thickness, and in straight lengths, of a thickness less than 4.75 mm and of a width measuring at least 10 times the thickness.

Universal mill plate (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm and of a thickness of not less than 4 mm, not in coils and without patterns in relief) of a thickness not less than 4.0 mm is not included within the scope of this order.

Specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, and the substrate for motor lamination steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. The substrate for motor lamination steels contains micro-alloying levels of elements such as silicon and aluminum.

⁸ See Memorandum, “Hot-rolled flat-rolled carbon-quality steel products from the Russia Federation (Commerce A-821-809; Customs A-462-809),” dated July 1, 2019 (Customs Liaison Unit Memorandum).

Steel products to be included in the scope of this order, regardless of Harmonized Tariff Schedule of the United States (HTSUS) definitions, are products in which: 1) iron predominates, by weight, over each of the other contained elements; 2) the carbon content is 2 percent or less, by weight; and 3) none of the elements listed below exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 1.50 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.012 percent of boron, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.41 percent of titanium, or 0.15 percent of vanadium, or 0.15 percent of zirconium.

All products that meet the physical and chemical description provided above are within the scope of this agreement unless otherwise excluded. The following products, by way of example, are outside and/or specifically excluded from the scope of this agreement:

- Alloy hot-rolled steel products in which at least one of the chemical elements exceeds those listed above (including *e.g.*, ASTM specifications A543, A387, A514, A517, and A506).
- SAE/AISI grades of series 2300 and higher.
- Ball bearing steels, as defined in the HTSUS.
- Tool steels, as defined in the HTSUS.
- Silica-manganese (as defined in the HTSUS) or silicon electrical steel with a silicon level exceeding 1.50 percent.
- ASTM specifications A710 and A736.
- USS Abrasion-resistant steels (USS AR 400, USS AR 500).
- Hot-rolled steel coil which meets the following chemical, physical and mechanical specifications:

C	Mn	P	S	Si	Cr	Cu	Ni
0.10 - 0.14%	0.90% Max	0.025% Max	0.005% Max	0.30 - 0.50%	0.50 - 0.70%	0.20 - 0.40%	0.20% Max

Width = 44.80 inches maximum; Thickness = 0.063 - 0.198 inches;

Yield Strength = 50,000 ksi minimum; Tensile Strength = 70,000- 88,000 psi.

- Hot-rolled steel coil which meets the following chemical, physical and mechanical specifications:

C	Mn	P	S	Si	Cr	Cu	Ni
0.10 - 0.16%	0.70% - 0.90%	0.025% Max	0.006% Max	0.30 - 0.50%	0.50 - 0.70%	0.25% Max	0.20% Max
Mo							
0.21% Max							

Width = 44.80 inches maximum; Thickness = 0.350 inches maximum;

Yield Strength = 80,000 ksi minimum; Tensile Strength = 105,000 psi Aim.

- Hot-rolled steel coil which meets the following chemical, physical and mechanical specifications:

C	Mn	P	S	Si	Cr	Cu	Ni
0.10 - 0.14%	1.30 – 1.80%	0.025% Max	0.005% Max	0.30 - 0.50%	0.50 - 0.70%	0.20 – 0.70%	0.20% Max
V(wt.)	Cb						
0.10% Max	0.08% Max						

Width = 44.80 inches maximum; Thickness = 0.350 inches maximum;

Yield Strength = 80,000 ksi minimum; Tensile Strength = 105,000 psi Aim.

- Hot-rolled steel coil which meets the following chemical, physical and mechanical specifications:

C	Mn	P	S	Si	Cr	Cu	Ni
0.15% Max	1.40% Max	0.025% Max	0.010% Max	0.50% Max	1.00% Max	0.50% Max	.20% Max
Nb	Ca	Al					
0.005% Max	Treated	0.01 – 0.07%					

Width = 39.37 inches; Thickness = 0.181 inches maximum; Yield Strength = 70,000 psi minimum for thicknesses ≤ 0.148 inches and 65,000 psi minimum for thicknesses > 0.148 inches; Tensile Strength = 80,000 psi minimum.

Hot-rolled dual phase steel, phase-hardened, primarily with a ferritic-martensitic microstructure, contains 0.9 percent up to and including 1.5 percent silicon by weight, further characterized by either (i) tensile strength between 540 N/mm² and 640 N/mm² and an elongation percentage \geq 26 percent for thicknesses of 2 mm and above, or (ii) a tensile strength between 590 N/mm² and 690 N/mm² and an elongation percentage \geq 25 percent for thicknesses of 2mm and above.

Hot-rolled bearing quality steel, SAE grade 1050, in coils, with an inclusion rating of 1.0 maximum per ASTM E 45, Method A, with excellent surface quality and chemistry restrictions as follows: 0.012 percent maximum phosphorus, 0.015 percent maximum sulfur, and 0.20 percent maximum residuals including 0.15 percent maximum chromium.

Grade ASTM A570-50 hot-rolled steel sheet in coils or cut lengths, width of 74 inches (nominal, within ASTM tolerances), thickness of 11 gauge (0.119 inches nominal), mill edge and skin passed, with a minimum copper content of 0.20 percent.

The covered merchandise is classified in the HTSUS at subheadings: 7208.10.15.00, 7208.10.30.00, 7208.10.60.00, 7208.25.30.00, 7208.25.60.00, 7208.26.00.30, 7208.26.00.60, 7208.27.00.30, 7208.27.00.60, 7208.36.00.30, 7208.36.00.60, 7208.37.00.30, 7208.37.00.60, 7208.38.00.15, 7208.38.00.30, 7208.38.00.90, 7208.39.00.15, 7208.39.00.30, 7208.39.00.90, 7208.40.60.30, 7208.40.60.60, 7208.53.00.00, 7208.54.00.00, 7208.90.00.00, 7210.70.30.00, 7210.90.90.00, 7211.14.00.30, 7211.14.00.90, 7211.19.15.00, 7211.19.20.00, 7211.19.30.00, 7211.19.45.00, 7211.19.60.00, 7211.19.75.30, 7211.19.75.60, 7211.19.75.90, 7212.40.10.00, 7212.40.50.00, 7212.50.00.00. Certain hot-rolled flat-rolled carbon-quality steel covered include: vacuum degassed, fully stabilized; high strength low alloy; and the substrate for motor lamination steel may also enter under the following tariff numbers: 7225.11.00.00, 7225.19.00.00, 7225.30.30.50, 7225.30.70.00, 7225.40.70.00, 7225.99.00.90, 7226.11.10.00, 7226.11.90.30, 7226.11.90.60, 7226.19.10.00, 7226.19.90.00, 7226.91.50.00, 7226.91.70.00, 7226.91.80.00, and 7226.99.01.80. Although the HTSUS subheadings are provided for

convenience and Customs purposes, the written description of the covered merchandise is dispositive.

Preliminary Determination of No Shipments

Based on record evidence, we preliminarily determine that NLMK, Severstal PAO, and Severstal Export GmbH had no shipments of subject merchandise during the POR. Specifically, CBP indicated that it found no shipments by NLMK, Severstal PAO, and Severstal Export GmbH during the POR.⁹ Consistent with Commerce's practice, we find that it is not appropriate to rescind the review with respect to NLMK, Severstal PAO, and Severstal Export GmbH but, rather, to complete the review and issue appropriate instructions to CBP based on the final results of this review.¹⁰

Public Comment

Interested parties may submit case briefs no later than 30 days after the date of publication of this notice.¹¹ Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.¹² Parties who submit case or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹³

⁹ See Customs Liaison Unit Memorandum.

¹⁰ See, e.g., *Certain Frozen Warmwater Shrimp From Thailand; Preliminary Results of Antidumping Duty Administrative Review, Partial Rescission of Review, Preliminary Determination of No Shipments; 2012-2013*, 79 FR 15951, 15952 (March 24, 2014), unchanged in *Certain Frozen Warmwater Shrimp From Thailand: Final Results of Antidumping Duty Administrative Review, Final Determination of No Shipments, and Partial Rescission of Review; 2012-2013*, 79 FR 51306 (August 28, 2014); *Magnesium Metal From the Russian Federation: Preliminary Results of Antidumping Duty Administrative Review*, 75 FR 26922, 26923 (May 13, 2010), unchanged in *Magnesium Metal From the Russian Federation: Final Results of Antidumping Duty Administrative Review*, 75 FR 56989 (September 17, 2010).

¹¹ See 19 CFR 351.309(c)(1)(ii).

¹² See 19 CFR 351.309(d).

¹³ See 19 CFR 351.309(c)(2) and (d)(2).

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce using Enforcement and Compliance's ACCESS system within 30 days after the date of publication of this notice.¹⁴ Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

All submissions must be filed electronically using ACCESS and served on interested parties.¹⁵ An electronically-filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Standard Time on the date that the document is due.

Unless the deadline is extended, Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any written briefs, not later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act).

Assessment Rates

In accordance with Commerce's practice, we find it appropriate to complete the review and issue liquidation instructions to CBP concerning entries for NLMK, Severstal PAO, and

¹⁴ See 19 CFR 351.310(c).

¹⁵ See 19 CFR 351.303(f).

Severstal Export GmbH following issuance of the final results of review. If we continue to find that NLMK, Severstal PAO, and Severstal Export GmbH had no shipments of subject merchandise in the final results, we will instruct CBP to liquidate any existing entries of merchandise produced by NLMK, Severstal PAO, and Severstal Export GmbH, but exported by other parties, at the rate for the intermediate reseller, if available, or at the all-others rate.¹⁶

We intend to issue instructions to CBP 15 days after the publication date of the final results of this review.

Cash Deposit Requirements

If the final results of review continue to find that NLMK, Severstal PAO, and Severstal Export GmbH had no shipments during the POR, there will be no change to the existing cash deposit requirements.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

¹⁶ See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

Notification to Interested Parties

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i) of the Act.

Dated: September 30, 2019

Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance

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